


YALI Network members: How to succeed as an entrepreneur

Patrick Stephenson, Macon Phillips, Mariam Njai, Daniel Bonsu at Tech Camp in Ghana 
(State Dept.)

YALI Network members shared their success stories and advice for fellow entrepreneurs with IIP Coordinator Macon Phillips. Patrick Stephenson, Mariam Njai and Daniel Bonsu (pictured above) attended an IIP Tech Camp in Ghana in May. Afterwards, Phillips sat down with them to discuss entrepreneurship in Africa.

During the roundtable discussion, Stephenson revealed his two-step plan for governments to better support an entrepreneurial environment.

- Universities should offer the study of entrepreneurship to their students.
- For those who have already finished school, there needs to be an atmosphere that can foster entrepreneurship outside of academia. According to Stephenson, programs like the World Bank's [Private Sector Development Project](#) create this type of entrepreneurship-friendly environment for recent graduates and young professionals.

Njai and Bonsu encouraged young people to resist the archaic idea that having a white-collar job is the only way to make money. Young people need to think outside the box to discover new career opportunities in fields like fashion design or music.

The three entrepreneurs discussed the difficulties of sustaining social entrepreneurship projects like Njai's [Give1 Project Gambia](#). Ventures like hers are difficult to fund, but her team created unique ways to raise money, including lunch sales and movie nights. Stephenson suggested social entrepreneurs find reliable methods to supply funding. "The model should be sustainable to a point where without you, the community can be able to do it," he said.

Phillips expressed his hope that YALI Network members will develop their own projects, NGOs or organizations, learn from their experience in the field, and use what they learn to advocate on behalf of their cause. "What is an entrepreneur if not someone who is taking self-initiative?" he asked.

With the hope of improving the Network and developing an entrepreneur-friendly environment, Phillips asked these Network members how YALI can facilitate more connections among its members.

Bonsu used his social enterprise, the [Troski Journal](#), as a reference point for the YALI Network. His Facebook photo blog tells the stories of African residents, with the intention of creating mutually beneficial networks with potential benefactors. Bonsu and Phillips agreed that Network members are developing solutions for the same problem without collaborating with one another. The lack of idea distribution hinders the success of these projects. Bonsu said development needs to be a holistic effort instead of being divided by region.

Njai suggested Network members utilize the YALI Network social media platforms like its [Facebook page](#) and YALI [face2face](#) to collaborate with other members working on similar projects. The sharing

of strategies will aid young leaders as they work to develop and rebrand their continent.

“When we begin to put these efforts together from a more connected perspective, we can transform Africa the way we want it, whether politically, economically or reforming the civic engagement space,” Stephenson said.

Stephenson founded AFRINVEST LLC, a frontier markets advisory firm, and is a founding member of the Young Professional Economist Network. He currently works as the director for research and honorary head of the Centre for Economic Governance and Political Affairs at the Imani Centre for Policy and Education.

Bonsu recently completed his undergraduate coursework in management information systems at Ashesi University, where he was awarded the university's Entrepreneurial Spirit and Student Personality awards for his contributions to youth development and entrepreneurship. He created the Troski Journal to connect grass-roots residents with potential benefactors.

Njai is the founder of Gambians Against Domestic Violence & Exploitation, head of fundraising for Give1 Project Gambia and the finance officer for Educating For Africa's Future.

Developing a Business Plan

When launching a business, one of the most important first steps is to write a business plan. A good business plan will help you answer important questions, such as the value of your idea, potential market opportunity, and costs associated with everything from production to marketing.

Securing capital, attracting team members, and growing your business will be easier when you think through opportunities and obstacles up front. Ultimately, creating a detailed business plan will ensure that you are positioned to succeed. The following post outlines the critical steps you will need to take to develop a strong business plan:

STEP 1: “SALES DEMAND SIDE” ASSESSMENT

No matter what your idea is, you will need to research the size of the current potential market for your product or service, taking into account the unique benefit(s) your idea offers. A thorough market assessment should give you a good idea of how many potential units you can sell in a given period, and therefore how much capital you will need to raise in order to launch and grow your business. In the [“Creating a Business Plan”](#) lesson, Claude Grunitzky offers the following example:

If your idea is to sell a new type of battery for mobile phones, you'll need to make assumptions and determine how many batteries you think you can sell in a given market in the first year. And then in the second, third, and fourth year [...] Before you can claim that, you will need to do some research and find out the size of the current market for mobile phone batteries. Are there any problems with the batteries currently being sold in the marketplace? If so, you need to list those problems, and

explain why your battery is better.

STEP 2: OUTLINE USE OF FUNDS

A “sales demand side” assessment should give you an approximate sense of how much start-up capital you need. To further refine this number, you must **determine how money should be allocated** across your start-up and operating costs, including research, salaries, manufacturing, marketing, distribution, and anything else relevant to your business. This critical step will help you think carefully about how the components of your business will function in tandem, and how you will address issues that may arise over the course of the next few years.

For example, if you decide to distribute your batteries via mail shipments, which factor(s) will be most important to determine a mail carrier—cost, speed, flexibility? Will your costs be fixed over time, or will they fluctuate based on the cost of postage or packing materials? Answering these questions will help you write your business plan, but more importantly, potential investors will want to know that you have thought carefully about how you intend to allocate funds, both now and in the future.

STEP 3: IDENTIFY RISK FACTORS

No matter how good your idea is, starting a business always involves risk. A good business plan will **address the potential risks your venture may face, along with a plan to cope with these challenges**. Doing your homework *beforehand* will save you precious time in a crisis. Startups and small businesses in particular must be able to adapt to unforeseen circumstances; investors will want to be sure that you have prepared for as many contingencies as possible.

For example, say you successfully launch your battery business, but soon learn that one of the manufacturers you rely on is halting production on a part that you need. If you identify early on that an interruption in your supply chain will pose a potential risk, your business plan may include research on alternative manufacturers that could create viable parts for your battery.

Developing a business plan requires you to think through your ideas in detail and ask yourself tough questions. It’s not an easy exercise, but it’s a necessary step to position your business for success.

Interested in learning more about the components of a business plan? Check out the [YALI Network Business Plan Checklist](#) [PDF 153 KB], which provides a detailed outline of everything that should be included in a strong business plan. For even more information, complete the YALI Network Online Course “[Fundamentals of Starting and Running a Business](#),” or jump right to the [lesson on creating a business plan](#).
